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Poultry Prices in Mexico

Meat processors say that the price increase of grains used as feed will have an impact on meat prices for the consumer, but restricting imports would worsen the situation. There is not enough domestic meat production to satisfy demand from the processing industry. The president of the Mexican Meat Council said SAGARPA's delay for the renewal of the certification for export of Chile's poultry plants will have a negative impact on poultry product prices in Mexico. The delay in issuing export certifications to Chilean poultry processors is resulting in a shortage of turkeys in Mexico according to news reports. In 2006 Mexico produced 14,000 MT of turkey but consumed 204,000 MT. To cover the demand, Mexico imported about 93 percent of the turkey consumed.

Mexico: Comparison of Select Frozen Poultry Imports in MT

	Jan-Dec 2005		Jan-Sep 2006	
	U.S.	Chile	U.S.	Chile
Whole Turkeys	2,472	2,474	986	1,205
Whole Broilers	660	26	1,991	551
MST	39,575	12,665	29,490	11,233

Source: Global Trade Information Services, Inc.

U.S. turkey exports to Mexico were about unchanged on volume but 10% higher in value for the first four months of 2007 compared to the same period in 2006. Fresh/chilled whole turkeys grew to 2,047 MT in 2007 compared to 482 MT in 2006 and the value rose to \$2.812 million from \$0.482 million. Broiler exports fell 29% in volume but rose 28 % in value. The largest decrease in volume was in fresh/chilled chicken cuts which fell to 15,115 MT in 2007 from 42,266 MT in 2006 while the value rose to \$22.216 million from \$19.785 million for the first four months of the year.

U.S. Poultry Meat Exports to Mexico

January – April Comparisons

	Quantity in MT		Value in \$1,000	
	2006	2007	2006	2007
*Broiler	88,153	62,976	57,742	73,835
*Turkey	45,003	45,189	68,750	75,766
*Other	10,664	9,813	11,354	11,398

*Under Harmonized Schedule codes 0207, 1601 and 1602

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

U.S. Fresh/Chilled Chicken Cuts and Whole Turkey Exports to Mexico

January - April Comparisons

	Quantity in MT		Value in \$1,000	
	2006	2007	2006	2007
*Whole Turkey	482	2,047	435	2,812
**Chicken Cuts	42,266	15,115	19,785	22,216

*H.S. 20724000

*H.S. 207120000

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Source: FAS/USDA and press summaries (not official information)

Poland's Agro-Food Industry Promotional Funds

The Polish government (GOP) is in the process of preparing legislation to establish six agrofood industry promotional funds. This is the first attempt by the government and local food industry to work together to raise enough private industry funding to qualify for EU promotional funds. Current EU regulations governing food product promotional programs require the following financial contributions: EU: 50%; Local government: 30%; and Participating food industry: 20%.

The draft proposal of the law has been cleared through the Ministry of Agriculture and Rural Development (MINAG) and is now with the Council of Ministers. It is expected that, under the best circumstances, this law will come into effect at the end of 2007. The six promotional funds are for Milk; Pork, Beef and Lamb Meat; Grain Products; Fruits and Vegetables; Poultry Meat; Fish and fish products.

Funds are to be used for the promotion of quality products, participation in trade fairs, market research, disseminating of product information, and training. Funds will also be used for activities conducted by national organizations, such as organizing annual meetings and taking part in appropriate sector meetings.

If passed, this legislation could result in more effective promotion of Polish food products abroad. While other EU countries account for the majority of Polish processed food exports, we expect that the new promotional funding will focus not only on EU markets, but also on markets in Asia, especially China. China is a future priority market, according to Agriculture ministry officials, and the minister of agriculture has traveled there at least twice in the past year in support of Polish agricultural trade.

Source: USDA/FAS GAIN Report

U.S. Exports, Chicken Leg Quarters, Selected Countries Values in 1,000 dollars/quantities in metric tons

January-April Comparisons

	2006		2007	
	Quantity	Value	Quantity	Value
Russia	223,206	119,118	195,916	143,569
Angola	18,753	10,937	22,121	17,120
Turkey	8,592	4,485	28,321	22,226
Lithuania0	0	40,281	27,865	
Ukraine	22,246	12,824	40,744	31,732
Cuba	22,095	13,981	21,886	12,928
Mexico	12,487	6,769	19,271	15,449
China	25,611	9,023	16,761	9,897
Korea	16,161	11,381	4,964	3,828
Guatemala	12,258	5,382	13,740	11,386
Romania	28,815	15,475	0	0
Poland	16,008	11,921	1,751	1,648
Iraq	1,829	409	21,426	16,714
Taiwan	21,774	12,363	3,908	3,645
Georgia	10,234	5,520	6,741	5,349
World Total	489,862	268,665	509,670	382,165

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

INSPECTED EGG PRODUCTS-**U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending June 09, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Liquid	48	210	2,312	4,620
Frozen	0	0	12	125
Dried	0	0	258	227
Total	48	210	2,582	4,972

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending June 09, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Liquid	364	66	6,870	1,387
Frozen	1	40	195	513
Dried	40	0	511	41
Total	405	106	7,576	1,941

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending June 09, 2007	Year-To-Date			
	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	300	900	16,529	38,481
Large	210	3,370	33,797	73,821
Medium	1,740	1,140	23,075	37,679
Ungraded	1,560	3,630	22,520	62,984
Misc	0	780	3,205	3,360
Total	3,810	9,820	99,126	216,475

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s)

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA AMS Poultry Programs, Market News & Analysis

U.S./Canadian Live Poultry Slaughtered Under Inspection

W/E 09-June-07 (PRELIMINARY)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,157	1,562	2,719
Last Week	1,080	1,295	2,375
Same week yr ago	1,068	1,492	2,560
To-date/2007	25,697	31,847	57,544
To-date/2006	26,743	33,546	60,289

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	361	0	361
Last Week	293	0	293
Same week yr ago	23	0	23
To-date/2007	5,485	14	5,499
To-date/2006	4,812	19	4,831

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,518	1,562	3,080
Last Week	1,373	1,295	2,668
Same week yr ago	1,091	1,492	2,583
To-date/2007	31,182	31,861	63,043
To-date/2006	31,555	33,565	65,120

Source: USDA AMS Poultry Programs, Market News & Analysis Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

FOB SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

June 15, 2007

CHICKEN WITH SKIN ADDED

	---- PRICES ----		---- VOLUME ----	
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	21.00	16.00-17.00	80,000	-
WTD AVERAGE	21.00	16.50		
15-20%				
RANGE	15.00-20.00	11.00-17.00	2,516,000	808,000
WTD AVERAGE	15.65	12.43		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

FOB SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

June 15, 2007

CHICKEN WITH SKIN ADDED

	---- PRICES ----		---- VOLUME ----	
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.00	17.00-19.00	504,400	264,400
WTD AVERAGE	17.00	18.00		
15-20%				
RANGE	16.00-21.00	11.00-16.00	1,921,800	1,121,800
WTD AVERAGE	17.85	13.83		
20% OR MORE				
RANGE	-	14.00	80,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 15 JUNE 2007.

The market tone on frozen tom drums was mostly steady, fresh tom drums steady to barely steady, tom full-cut wings and necks steady to fully steady, tom 2-joint mixed ranging from barely steady to fully steady. Demand on tom drums was moderate to good with some noting a slowing into export channels while others note an active buyer interest to both domestic and export shipments. Offerings of frozen tom drums short to instances adequate while fresh tom drums was mixed ranging from light to instances fully adequate with some noting fresh more available than previous weeks. Demand moderate to good on tom wings and necks. Export demand into some channels has slowed into some countries on tom 2-joint resulting in instances of lower trending pricing for exports. The market tone on fresh -20% mechanically separated turkey (MST) was steady to barely steady, frozen steady to fully steady. The strength on the frozen MST is due in part to price spread with the fresh. Demand on fresh MST moderate to instances good, frozen light to moderate. Offerings of frozen MST light and spotty, fresh mixed ranging from light to fully adequate. Domestic trading was active on fresh tom breast meat for domestic shipments, moderate on m full-cut wings and fresh tom drums, balance slow to moderate. Export trading was slow to moderate. For domestic: tails 27, fresh tom necks 56.50, fresh wing meat with skin 90-95, fresh scapula 125-127, fresh breast trim 131-152 mostly 131-135, Grade A breasts - 8-10 lb. 130, 10-12 lb. 180, 12-16 lb. 190 cents delivered. For export: livers 23 shipping point, tom defatted gizzards 90 August, fresh thigh meat 96 cents delivered.

EXPORT TRADING	PRICE	L.S.T	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, JUNE 15, 2007	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
DRUMSTICKS, TOMS	58.00		58.00	160	58.16	504
WINGS FULL-CUT - TOMS		W	52.00	108	51.15	188
WINGS, V-TYPE, TOM	58.50-59.00		58.67	312	58.67	312
TAILS	27.00		27.00	160	27.10	200
MECHANICALLY SEPARATED 2/	24.00		24.00	40	26.00	120
THIGH MEAT - FROZEN	92.00		92.00	40	90.75	464

EXPORT TRADING	PRICE	L.S.T	WTD AVG	VOLUME
THURSDAY, JUNE 14, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	58.00-59.00		58.33	240
WINGS FULL-CUT - TOMS		W	52.00	108
WINGS, V-TYPE, TOM		F	64.00	104
TAILS		T	27.50	40
MECHANICALLY SEPARATED 2/	27.00		27.00	80
THIGH MEAT - FROZEN	89.00-93.00		90.50	120

EXPORT TRADING	RANGE	CODE 1/	PRICE	(000)
WEDNESDAY, JUNE 13, 2007				
DRUMSTICKS, TOMS		M	58.00	104
WINGS FULL-CUT - TOMS	52.00		52.00	108
WINGS, V-TYPE, TOM		F	64.00	104
TAILS		T	27.50	40
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	90.00		90.00	120

EXPORT TRADING	RANGE	CODE 1/	PRICE	(000)
TUESDAY, JUNE 12, 2007				
DRUMSTICKS, TOMS		M	58.00	104
WINGS FULL-CUT - TOMS	50.00		50.00	80
WINGS, V-TYPE, TOM		F	64.00	104
TAILS	27.50		27.50	40
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	90.00-92.00		91.44	144

EXPORT TRADING	RANGE	CODE 1/	PRICE	(000)
MONDAY, JUNE 11, 2007				
DRUMSTICKS, TOMS	58.00		58.00	104
WINGS FULL-CUT - TOMS		R	46.00	40
WINGS, V-TYPE, TOM		F	64.00	104
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	90.00		90.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15/20% fat with skin added.